MOBILEHOME PARK RESIDENT OWNERSHIP PROGRAM
REQUEST FOR PROPOSALS (RFP)

JANUARY 4, 2006

A. INTRODUCTION

The Department of Housing and Community Development (Department) is pleased to announce that it is accepting proposals for funding under the Mobilehome Park Resident Ownership Program (MPROP). MPROP provides financing to mobilehome park resident organizations, nonprofit organizations and local public entities who wish to purchase mobilehome parks and convert them to either resident ownership or ownership by a nonprofit corporation.

The purpose of the MPROP program is to encourage and facilitate the conversion of mobilehome parks to resident ownership or ownership by qualified nonprofit housing sponsors or by local public entities, to protect low income mobilehome park residents from both physical and economic displacement, to obtain a high level of private and other public financing for mobilehome park conversions, and to help establish acceptance for resident-owned, nonprofit-owned, and government-owned mobilehome parks in the private market.

The maximum amount available to each eligible project is $1,500,000. However, if this funding round is under-subscribed or if funds are available, applicants may have the opportunity to request an increase of the requested loan amount, as determined by the Department in its sole discretion, in order to ensure financial feasibility. This funding round will be found to be under-subscribed if after reviewing all applications submitted by the final application filing date of **March 13**, **2006** an insufficient number of applications have been deemed eligible, complete, and meeting all threshold requirements as outlined in Exhibit "J-1" of the application dated December 2005. Approximately $6,000,000 is currently available for new loans, of which 20 percent is reserved for rural projects (as defined in Health and Safety Code section 50101). In the event that an inadequate number of rural applications are received during this funding round, the Department may allocate these funds to non-rural projects.

The Department recommends that applicants strongly consider the use of experienced consultants and other professional services to assist them in the process of purchasing a mobilehome park. The process is complex and requires a high level of expertise. The technical assistance available from the Department for potential applicants is very limited.

B. LEGAL AUTHORITY

The Mobilehome Park Resident Ownership Program is statutorily authorized by Chapter 11 of Part 2, Division 31 of the Health and Safety Code (section 50780, et seq.) and may be found at internet address www.leginfo.ca.gov/calaw.html. The program regulations may be found in the California Code of Regulations, Title 25, Part 1, Chapter 7, Subchapter 13, sections 8000, et seq. and may also be found at Internet address www.oal.ca.gov. Copies of both of these documents are also included in the application package.

Interested applicants should carefully review the MPROP statutes and regulations. The Department reserves the right, at its sole discretion, to suspend, amend, or modify the provisions of this RFP. If any of these actions should occur, the Department will provide as much advance notice as possible to parties on the MPROP mailing list.

C. APPLICATION PROCEDURES, SCHEDULE, AND WORKSHOP

One original and one copy of the completed application must be received in the MPROP office by Monday, March 13, 2006 at 5 p.m. The original application and any authorizing resolutions must have original signatures. Applications will be accepted only during the application period, and may not be added to in any substantial manner after its submission. The Department reserves the right to modify or withdraw this RFP at any time.

All proposals must be made on the December 2005 application form or other form approved in advance by the Department and must be complete and legible. An application deemed illegible, incomplete or ineligible will be rejected, and the applicant will be notified in writing of the reason(s) for this determination. A separate application must be submitted to the Department for each project. The MPROP funding awards are competitive and based on the information provided in the applications.

To request an application package, please contact the MPROP program secretary at the telephone number or address below. Application materials are also available at MPROP's website, http://www.hcd.ca.gov/ca/mprop/.

Department of Housing and Community Development
Division of Financial Assistance
Mobilehome Park Resident Ownership Program
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Sacramento, CA 94252-2054
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multifamilyhousingsection@hcd.ca.gov

General workshops will not be scheduled. Project specific technical assistance will be provided via telephone only during the application phase. However, we may provide a one on one project specific workshop if time permits.

D. DESCRIPTION OF FUNDING PROCESS FROM RFP TO PROJECT COMPLETION

Applications that are complete and eligible will be rated by staff according to the criteria set forth in Section G of this RFP. Generally, staff will recommend awarding the full amount of funds available in priority order based on the rating score, with rural projects competing only against themselves for 20 percent of these funds.

Applications for projects in non-rural areas that receive less than 60 percent of the available rating points will not be recommended for funding, regardless of the availability of funds. Similarly, applications from projects in rural areas that receive less than 50 percent of the available points will not be recommended for funding. The recommendations of staff will be presented to the Department's Local Assistance Loan and Grant Committee. Copies of the staff recommendation will be distributed to the applicants prior to the Committee meeting. The Committee will consider applications and will make recommendations to the Director. The Director will approve, modify, or disapprove the Committee's recommendations. The Director's approval of a project constitutes a conditional commitment of funding.

Application and Commitment Timelines

Applications will be accepted in accordance with the following schedule:

APPLICATION DEADLINE	LOAN & GRANT COMMITTEE (ANTICIPATED)	FUNDING DECISION (ANTICIPATED)
03/13/06	06/22/06	7/01/2006

Standard Conditions

Upon the Director's approval, a contract (the Standard Agreement) between the awardee and the Department is prepared. This contract will contain the conditions that must be satisfied prior to the closing and funding of the MPROP loan(s). Standard Conditions include, as applicable:

1. In a resident-owned park, at least two-thirds of the spaces in the park must be occupied by households who have purchased their individual interests in the park, or who are under contract to purchase and are fully qualified for financing, and are otherwise committed to and ready to purchase. Long-term leases or purchases by parties other than the residents occupying their individual spaces may not be substituted for purchases by residents to meet this requirement. Where individual interests are not sold, at least two-thirds of the park resident households must be members of the resident organization that will own and manage the park following the conversion.

2. If the park will be owned by a qualified nonprofit, verification that at least 30 percent of the households in the park are low-income (80 percent) of area median adjusted for family size.

3. Prior to any assignment of the park to a nonprofit or single-purpose entity proposed to be formed by the nonprofit, the Department will approve the final organizational structure and corporate documents. If a single-purpose entity with resident

representation on the board does not take title to the property, satisfactory evidence of an active resident advisory board in the park must be provided.

4. Verification that either: (a) park residents are not being displaced, through rent increases or other means, in compliance with all applicable relocation laws or (b) displacement is being mitigated in accordance with all applicable relocation laws.

5. Verification of the adequacy of the collateral securing the Department’s loan. Unless otherwise approved by the Department, the adequacy of the collateral shall be evaluated through an appraisal or appraisals ordered by the Department and paid for by the borrower from their own funds (with reimbursement from proceeds at loan closing, if sufficient proceeds are available).

6. Approval by the Department of a Phase I environmental site assessment report, and any follow-up studies indicated by the Phase I. Payment for these items shall be the responsibility of the borrower, with reimbursement at loan closing, if sufficient proceeds are available.

7. Execution of a State Standard Agreement and loan documents as required by the Department, including: (a) a promissory note or notes evidencing the Department’s loan; (b) security documents as necessary to secure the Department’s loan, and (c) where a blanket loan is being made, a regulatory agreement governing the operation of the park for the term of the MPROP loan, if resident-owned, and for no less than 30 years if nonprofit-owned. The regulatory agreement, and all trust deeds, shall be recorded against the borrower’s interests.

8. Issuance of a title insurance policy or policies approved by the Department insuring the Department’s security interest.

9. Approval by the Department of all project costs, and of the terms, conditions and documents for all sources of funds to be used to defray these costs.

10. Approval by the Department of a first year operating budget and cash flow analysis.

11. Approval by the Department of a replacement reserve study performed in accordance with the requirements of the Department of Real Estate for subdivision projects.

12. Approval by the Department of an Assistance Analysis Chart detailing, for every recipient of MPROP assistance, their incomes, their housing costs, the amount of their loans or rent subsidies, and such other information as the Department may require.

13. Where MPROP provides a blanket loan, approval by the Department of a Program of Assistance detailing the mechanism for passing on the subsidy provided by the MPROP funds to the low-income residents.

14. Approval by the Department of the property management company that will manage the park upon loan funding, and of its contract and management plan.

15. Verification that the park and any homes occupied by the recipients of MPROP direct loan assistance comply with the Mobilehome Parks Act (Title 25).

16. If any rehabilitation or construction work is planned in connection with the conversion, approval by the Department of the scope of work, detailed budget, construction contractor and the construction contract documents.

17. If loans to individual residents will be made, approval by the Department of a third party loan originator, and the contract for those services.

18. Approval by the Department of all professional services contracts entered into or to be entered into in connection with the conversion.

19. Approval by the Department of the borrower's organizational documents, resident lease agreements, and other legal documents. If required by the Department, issuance of an opinion of the Borrower's counsel addressing such legal issues as deemed necessary by the Department.

20. Verification of hazard, liability, flood and fidelity insurance coverage in accordance with Department requirements.

21. Verification that all required governmental approvals have been received, including, as applicable, approvals by local planning agencies and the state Department of Real Estate or the Department of Corporations.

E. THRESHOLD CRITERIA

At a minimum, the application must meet the requirements of the following criteria in order to be eligible for an award of MPROP funding. If an application fails to adequately demonstrate that these criteria are met, with documentation acceptable to the Department, the application will not be eligible to be considered for an award of funding.

1. Eligible Applicant
2. Eligible Project
3. Eligible Borrower and Rental Assistance Recipients
4. Site Control
5. Financial Feasibility and Loan Security
6. Surveys indicating two-thirds of the residents support conversion of the park.
7. Receive the minimum point score for a rural or urban project as identified in the rating section (Paragraph G below).

1. Eligible Applicants (threshold)

Applications must be made by a mobilehome park resident organization, a local public entity or a qualified non-profit corporation.

Resident organization: The applicant must: 1) have no less than two-thirds of the resident households in support of the project purchase at the time of application as a well as at the time of funding, 2) be a legally recognized entity; 3) be able to enter into a contract; and 4) be capable of suing or being sued.

Qualifying nonprofit corporation: The nonprofit must meet the statutory definition for a qualifying nonprofit corporation as defined in Health and Safety Code section 50781(k). In addition, the nonprofit must assure resident participation by either resident representation on the board of directors of the entity that acquires the permanent ownership of the park or by establishment of a permanent resident advisory board (Health and Safety Code section 50785(a)(6)). The nonprofit must also demonstrate that: 1) two-thirds of the resident households are in support of the project purchase at the time of application and at the time of funding, 2) the nonprofit is a legally recognized entity; 3) it is able to enter into a contract; and 4) it is capable of suing or being sued.

Local public entity: The entity may be a city, county, housing authority, redevelopment agency, community development commission, or other governing body as defined in Health and Safety Code section 50079. In addition, the local public entity must assure resident participation by either resident representation on the board of directors of the entity that acquires the permanent ownership of the park or by establishment of a permanent resident advisory board (Health and Safety Code section 50785(a)(6). The local public entity must demonstrate that: 1) it is a legally recognized entity; 2) it is able to enter into a contract; 3) it is capable of suing or being sued; and 4) two-thirds of the resident households are in support of the project purchase at the time of application. In accordance with Health and Safety Code section 50786.5, commitments to local public entities that have subdivided the park or intend to sell individual interests may be funded upon demonstration of a simple majority of households acquiring their interest in the park.

The governing body of the applicant must authorize, by resolution, participation in the program and submission of the application. The resolution must be submitted with the application itself. No exceptions will be made to this rule.

2. Eligible Projects (threshold)

The project must ultimately result in ownership by either a resident organization or by a qualified nonprofit corporation. Interim ownership by a public entity is limited to three years and up to six years with special circumstances based on Health and Safety Code section 50784(b). Both a local public entity and a qualified non-profit applicant must show that the park will contain at least 30 percent low-income residents. Parks owned by resident organizations must have at a minimum of one low-income resident.

A subdivision must be created with either at least two-thirds of the residents purchasing their individual (condominium or planned unit development) interests, or ownership will be held by a resident organization, a qualifying nonprofit corporation, or a local government entity (for a limited term) that will hold title by fee interest or long-term leasehold interest in the park's real property.

Loan commitments made to resident organizations on behalf of the residents (individual loans) may be made to parks that have already converted or plan to convert to resident ownership. Loan commitments made to resident ownership organizations (blanket loans) can be made to parks that have converted or plan to convert to resident ownership. Program loan commitments to local public entities or qualifying nonprofit corporations (blanket or individual loans) must be obtained prior to the acquisition of the park.

At the time of application to the Department, the applicant <u>must</u> have site control as outlined in Section 4 below. The mobilehome park may include manufactured homes, mobilehomes, recreational vehicles, or factory-built housing, or a combination thereof.

3. Eligible Borrowers and Rental Assistance Recipients (threshold)

MPROP may provide conversion and/or blanket loans to eligible resident organizations, qualifying nonprofit corporations or local public entities. MPROP may also provide individual loans to eligible lower-income residents.

To be eligible to benefit from an MPROP blanket loan or to receive an individual loan, a resident household must: 1) reside in the mobilehome park as the household's principal residence at the time the application is submitted; 2) have a gross income which is not greater than the lower-income limits for the county in which the park is located, and which are listed in the application package; and 3) demonstrate that the household's monthly housing costs upon completion of the resident park purchase would exceed 30 percent of the household's gross monthly income without program assistance.

4. Site Control (threshold)

<u>Non-Subdivided Parks:</u>

Site control must be in the name of the applicant at the time of application submittal. Site control can be evidenced by: an enforceable purchase or sales agreement; fee title; leasehold interest with provisions that enable the lessee to make improvements on and encumber the property provided that the terms and conditions of any proposed lease shall permit compliance with all program requirements; an enforceable option to purchase or lease; a disposition and development agreement with a public agency; or an agreement with a public agency that gives the applicant exclusive rights to negotiate with that agency for acquisition of the site provided that the major terms of the acquisition have been agreed to by both parties.

Subdivided Parks:

If the current owner is the subdivider of the park, the current owner must have, at minimum, vested tentative map approval for the subdivision.

If the applicant will be the subdivider, then site control must be in one of the forms identified above under *Non-Subdivided Parks*.

5. Financial Feasibility and Loan Security (threshold)

The application must demonstrate a financially feasible plan for the park conversion. Applicants should carefully review the "Program Requirements," attached as Exhibit O, to make sure that documentation submitted to evidence financial feasibility uses the financial assumptions cited in pages 4 - 8 of Exhibit O.

These criteria encompass the financial feasibility of the conversion itself, the long-term financial viability of the park, and security of the MPROP loan(s).

Non-Subdivided Parks

Indicators of the financial feasibility of the conversion that will be evaluated include:

In a resident-owned park, the number of surveyed residents who indicate that they intend to purchase their interests at the projected price must be sufficient to the extent that such purchases are essential to the project financial feasibility.

- The reasonableness of development costs.

The competitiveness of the park within the local market. Market information must be submitted as described in the application and must support the competitive marketability of the park as proposed.

Indicators of long-term, post-conversion feasibility and MPROP loan security include:

- The ability of the park to meet all required financial obligations, within any required rent restrictions, using the underwriting assumptions itemized in Exhibit M, "MPROP Underwriting Guide and Worksheet."

- The reasonableness and adequacy of operating costs and reserves.

- The amount of all proposed financing is sufficient to meet all development costs and the sources of financing and the terms are likely to be achievable.

The terms and conditions of financing other than the MPROP loan, especially financing that will be senior to the MPROP loan. Fixed rate financing is preferable to variable rate financing. Balloon payments prior to the maturity of the MPROP **loan** ***and seller financing in a position senior to the MPROP loan are not allowed.***

In a resident-owned share corporation or cooperative, the anticipated marketability of the share or membership interests. MPROP has observed that residents in parks with high share values (generally above the range of $5,000 to $10,000) have experienced significant difficulty in selling their shares. If share values or membership interests are proposed to sell for $15,000 or more, generally the project will **not** ***be deemed financially feasible and will not pass threshold and will not be scored.***

<u>Subdivided Parks (Individual Loans)</u>

In parks that are or will be subdivided, indicators of the financial feasibility of the conversion and the long-term security of the MPROP loan that will be evaluated include, but are not limited to:

The proportion of surveyed residents who indicate that they intend to purchase their subdivided interest at the projected price. (A minimum two-thirds of the residents must indicate this on the surveys.)

For parks subdivided by the applicant, the development budget supports the sales prices to the residents.

The cost reasonableness of the proposed homeowner's association dues.

Proposed/committed financing sources (loans/grants) are sufficient to meet all permanent financing needs of the project. (Amount of proposed financing equals or exceeds the development costs and/or the projected costs of purchase for the residents.)

Market information provided in the application for mobilehome parks in the area (preferably subdivided parks) supports the proposed lot sales prices and the marketability of those lots.

Indicators of long-term, post-conversion financial viability and MPROP loan security include:

- Projected revenue is sufficient to cover operating costs (first year).

The potential competitiveness of the park within the local re-sale market. Market information must be submitted as described in the application.

For Conversion Loans (subdivided or non-subdivided parks):

In addition to meeting the long-term financial feasibility criteria listed above (as applicable):

must demonstrate financial sources and amounts (loans/grants) sufficient for conversion of the park.

F. LOAN TYPES

Conversion loans provide interim financing to resident organizations, qualifying nonprofit corporations, or local public entities with a three-year maximum term at 3 percent simple interest per annum. The maximum loan amount is 95 percent of the conversion costs proportionate to the low-income residents of the park, or such lesser amount as required for project feasibility. The maximum loan-to-value ratio (counting senior debt and the MPROP loan) is 100 percent. Eligible costs include: 1) the park acquisition cost; 2) loan origination, appraisal, inspection fees, other related financial costs; 3) title and escrow fees; 4) legal and other professional fees; 5) relocation costs; and 6) park rehabilitation costs. Monthly payments of interest only are required during the conversion loan term unless the Department approves an alternative repayment schedule.

Blanket loans provide long-term financing to resident organizations or non-profit corporations that purchase parks without subdividing them. The maximum loan-to-value ratio (counting senior debt as well as the MPROP loan) is 100 percent based on an appraised value of the park; however, the actual loan amount is determined by the percent of low-income spaces in the park. MPROP requires the loan amount to be limited to 50 percent of the costs that can be attributable to the number of low-income households in the park. This amount may be increased to a maximum amount of 95 percent of the costs attributable to the low-income households in the park providing that the applicants can demonstrate that they have been unsuccessful in obtaining other financing for the purchase and that the project would not be feasible without MPROP.

Blanket loans may be used for the following eligible costs: 1) to repay a short-term (or "bridge") conversion loan; 2) to establish operating reserves; 3) to provide long-term financing for a project; 4) to supplement other public or private financing; 5) to enable low-income households to obtain individual interests in the corporation which owns the park; and 6) to enable low-income residents to remain in the project.

The organization must establish a program of assistance to direct the benefits of a blanket loan to low-income residents. This may include an internal rent subsidy program and/or internal loans from the organization to eligible lower income households. Points are awarded based on how well the MPROP funding is utilized.

The interest charged is 3 percent simple interest per annum. Blanket loans have monthly payments amortized over a maximum 30 year term. If necessary, alternative repayment terms may be approved if necessary to achieve affordable housing costs for low-income residents. Unless otherwise approved by the Department, a third party entity must certify the eligibility of the low-income residents who benefit from the blanket loan.

Individual loans provide long-term financing to low-income households. They are only available to eligible lower-income residents in parks that have received an MPROP loan commitment. They are not available to the public at large. Loan amounts may not exceed 95 percent of the acquisition costs (including closing and financing costs) of a lot or other individual interest in a mobilehome park, or such lesser amount as required to reduce the borrower's housing costs to an affordable level (no less than 30 percent of income).

MPROP is designed to fill the gap between the private financing that residents can afford and 100 percent of the costs of purchasing their individual interests. Potential MPROP borrowers are expected to secure loans from private lenders in the maximum, affordable amount that they qualify for, up to an amount that results in their paying at least 30 percent of income towards their housing. If the lender offers them less than the amount applied for, they are expected to accept this offer. If they have recently refinanced their homes, they must apply any cash taken out towards their purchase in their space. If necessary to consummate the purchase of their individual interests, housing costs up to 40 percent or the amount they were paying prior to conversion will be allowed.

Borrowers of individual loans shall have no less than 5 percent equity in the collateral securing the loan. Collateral includes the lot or other individual interest and usually includes the mobilehome. The interest charged is 3 percent simple interest per annum. Individual loans have monthly payments amortized over a maximum term of 30 years unless, in order to achieve affordability, the Department approves alternative repayment terms. Such alternative terms will require payments to the extent that the resident can afford them. They may require periodic (e.g., every 5 years) verification of income to ensure that borrowers still qualify for alternative payment terms. Loans to individuals are due on sale, transfer or non-occupancy by the MPROP borrower(s).

G. RATING CRITERIA

The chart below outlines the application rating criteria and the maximum score applicable to each. In the event the requests for funding which meet the minimum point threshold exceed the amounts available, applications will be funded in the order of ranking. Details on how each criterion will be applied follows.

Criterion	**Maximum Score**
Below Market Financing	20
Organizational Capacity	25
Efficiency of Use of Program Funds	25
Project Cost	20
Speed and Ease of Conversion	20
Affordability for Low-Income Residents	15
Under-Served Areas	15
Project Support	10
Priority for Resident-Owned Parks	10
Avoidance of Displacement	5
Local Housing Programs	5
Security of Tenure	5
Total Possible Points	175

Minimum Required for Positive Recommendation:

Non-Rural Areas (60 percent of Total Possible)	105
Rural Areas (50 percent of Total Possible)	87

Application Criteria

(The text in bold is a summary of criteria specified in the program regulations. Please consult the regulations if you would like more details. The bracketed numbers refer to the particular regulation sections to consult for this purpose.)

1. Below market financing [§8014(a)(11)]. Maximum score: 20 points.

Points will be awarded based on the extent to which the project will receive below market financing and other assistance, including the value of administrative functions provided by a local public entity.

To take into account the differing resources that are available from local public subsidy sources, however, a discount rate of 2 ½ percent will be used for projects located in areas not served by a locality that is either an "entitlement jurisdiction," for purposes of the Community Development Block Grant (CDBG) program, or a "participating jurisdiction," for purposes of the Home Investment Partnership (HOME) program.

MPROP will assign a subsidy value of $500 per low-income resident to projects with a documented commitment from a local public agency to provide third-party loan origination services and/or income certifications without charge.

2. Organizational Capacity [§8014(a)(4)]. Total score: 25 points *OR* 0 points

MPROP will evaluate the capacity of the organization and the proposed property management agent that will be used to manage the park once it has been converted. Factors that will be considered when evaluating the organization include:

If resident-owned, the business experience and expertise of individual board members and the extent of their involvement with the park conversion.

If resident-owned, the long-term availability of professional assistance for management issues with experience in direct management of resident-owned mobilehome parks and/or affordable housing.

Management firms will be evaluated primarily based on their experience with mobilehome parks and mobilehome issues and with MPROP, as well as affordable housing governed by federal, state or local regulatory agreements.

The capacity of the conversion team (developer, conversion consultant(s), residents, and loan originator, if applicable) to complete the conversion will also be evaluated. This evaluation will focus on the prior conversion experience of the team members, and especially experience with MPROP projects.

The capacity of nonprofit corporations will be evaluated based on their years of experience owning and managing affordable housing, including mobilehome parks; and their experience in rehabilitating substandard housing (for conversions involving rehabilitation). In addition, consideration will be given to the fiscal capacity and viability of the nonprofit organization.

NOTE: Point score will be determined upon the information provided in Exhibit J-1, Item 2 of the MPROP Application. Failure to complete this section in its entirety will result in "zero" points.

3. Efficiency of Use of Program Funds [§8014(a)(9)]. Maximum score: 25 points.

Efficiency will be judged by the proportion of low-income residents currently in the park and the amount of MPROP funding per low-income resident.

4. Project Cost [§8014(a)(10)]. Maximum score: 20 points.

Two measures of cost will be calculated: total per space development costs, and per space soft costs (costs other than acquisition and rehabilitation). Projects with lower costs will receive higher scores.

For non-subdivided parks, total per space hard development costs will be adjusted to reflect local market conditions using a factor based on median home sale prices, as reported by the California Association of Realtors for the second quarter of 2003 (See "Project Cost Adjustment Factors" below for further details). Points will be awarded based on the adjusted costs.

For subdivided parks, points will be awarded based on the proposed lot sales price as a percentage of median home sale prices, as reported by the California Association of Realtors for the second quarter of 2003 (See "Project Cost Adjustment Factors" below for further details).

For all parks, points will be awarded for the actual (not adjusted) soft costs per space.

5. Speed and Ease of Conversion [§8014(a)(3)]. Maximum score: 20 points.

Factors to be considered include:

The status of financing commitments.

The degree of uncertainty about actual availability of other financing at terms proposed.

The level of resident support.

The status of approvals required from the Departments of Real Estate or Corporations, local planning bodies, and other regulatory agencies.

The potential for delays due to litigation, toxic waste problems, and other unique circumstances.

6. Affordability for Low-Income Residents [§8014(a)(1)]. Maximum score: 15 points.

The impact of the conversion on affordability levels for low-income residents will be measured by the ratio of (a) average post-conversion housing costs as a percentage of resident household income, or 30 percent, whichever is greater, to (b) average pre-conversion housing costs as a percentage of income, or 30 percent, whichever is greater.

In addition, Programs of Assistance that restrict annual rent increases for the low-income households to no more than the annual change rate of the Consumer Price Index for all Urban Consumers, West Region, All Items, as published by the Bureau of Labor Statistics, United States Department of Labor will receive a minimum of 5 points.

7. Under-served Areas [§8014(a)(6)]. Maximum score: 15 points.

Points will be awarded based on whether there have been previous MPROP awards to projects located in the same city or county as the proposed project, and based on whether the proposed project is located in the northern or southern sections of the State.

Projects in County?	**Projects in the City**	**North or South?**	**Points**
No	No	North	15
No	No	South	15
Yes	No	North	12
Yes	Yes	North	8
Yes	No	South	8
Yes	Yes	South	5

8. Project Support [§8014(a)(7)]. Maximum score: 10 points.

Both resident and local government non-financial support will be evaluated. Resident support will be gauged by (a) the proportion of surveyed residents who indicate their support for the conversion, (b) the proportion of surveyed residents who indicate their interest in purchasing ownership interests (where these interests will be sold), and (c) the presence or absence of any groups opposed to the conversion. The presence of organized opposition to the conversion will result in zero points for resident support.

Points for non-financial assistance from local government will be allocated based on the documented presence of this support.

9. Priority for Resident-Owned Parks (H&S Code 50786(e)(3)).
Total score: 10 points *OR* 0 points.

Points will be awarded based on whether or not the project will be converted to a resident-owned Park.

10. Avoidance of Displacement [§8014(a)(2)]. Maximum score: 5 points.

The maximum score will be awarded to projects that will fully and clearly comply with the all applicable relocation laws, or provide a specific, detailed alternative plan that ensures that residents will not be displaced either physically or economically or provide a preliminary relocation plan. No score will be awarded if the plan for avoiding displacement is unclear, inaccurate, not specific, or lacks adequate supporting documentation.

11. Local Housing Programs [§8014(a)(6)]. Maximum score: 5 points *OR* 0 points .

Projects located in jurisdictions that have local plans or programs aimed at the preservation of mobilehome parks, as affordable housing will receive the maximum score. This must be documented by evidence of local programs specific to mobilehome parks or mobilehome ownership (e.g., copies of applicable pages from the local housing element, a letter from the locality, etc…). Other projects will receive zero points.

12. Security of Tenure [§8014(a)(5)]. Maximum score: 5 points.

Points will be awarded as follows:

Ownership Structure	**Points**
Individuals will have fee title to their lots	5
Individuals will have long-term (at least 15 years) leases from a corporation that will have fee title to the park.	3
All others.	2

PROJECT COST ADJUSTMENT FACTORS AND MEDIAN HOME SALES PRICES

For non-subdivided parks, an adjustment will be made on total per space hard costs for the purpose of rating the applications under the "Project Cost" criterion. The adjustment will be made by multiplying a factor that is applicable to the location of the park and the total hard costs per space. This information will be used to compare how well the park is priced based on housing in the region and the price trends for the region the park is located.

These factors represent the ratio of (a) the median sales price of detached homes in California to (b) the median sales price of detached homes in the local market area at the time of the MPROP application deadline. The source of these figures is the California Association of Realtors. The percentage difference between the median sales price of detached homes and to the statewide median sales price will become the factor used to determine a project cost level. Points will be awarded for how well the price relates to this criterion.

For subdivided parks, space/lot sales prices will be converted to a percentage of the median sales prices for detached homes based on the location of the park. The source of these figures is the California Association of Realtors.

QUESTIONS

If you have any questions regarding this RFP or are interested in project specific technical assistance, please contact either Lorraine French at (916) 327-3579 or Linda Ng at (916) 322-1949 by the final application date of March 13, 2006.